



Exhibit 3

**This exhibit is a CD entitle
Montana National Guard
A Year in Review**

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and may be viewed there**

**Montana Historical Society
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Scanning by: Susie Hamilton



Department of Military Affairs

Missions

To serve as the primary federal reserve force in support of National security objectives, when called upon by the President.

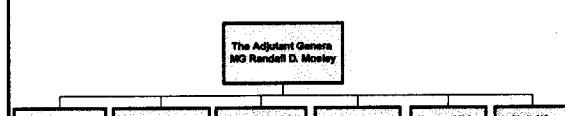
Protection of life and property, preservation of peace, order, and Public safety for Montana's citizens, when called upon by the Governor.

Participate in local, state and national programs That add value to America.

Major General Randy Mosley

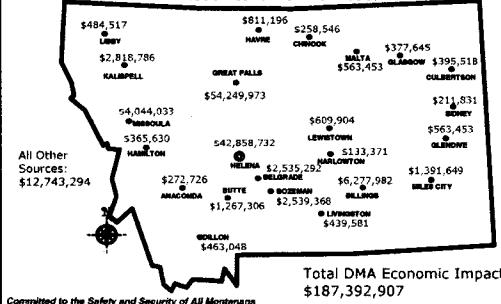
Who We Are –

Organizational Structure



Department of Military Affairs Economic Impact

2006 Economic Information



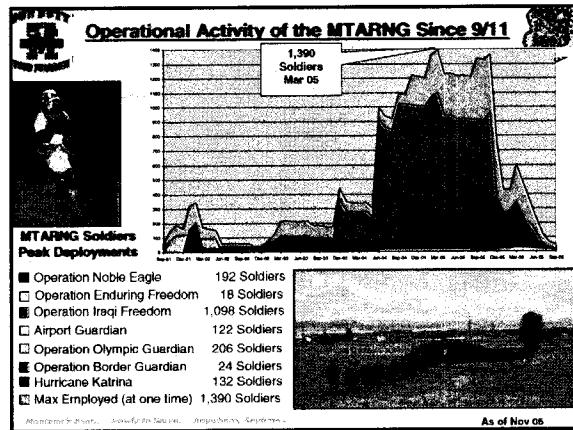
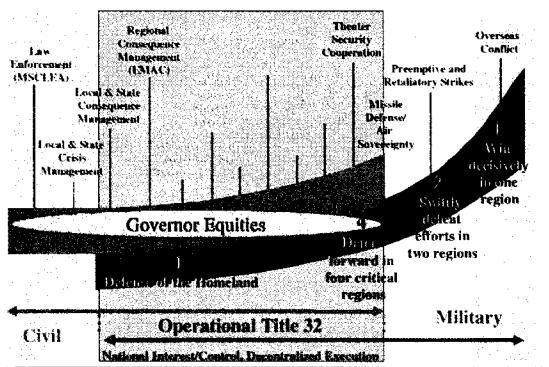
Montana Army National Guard

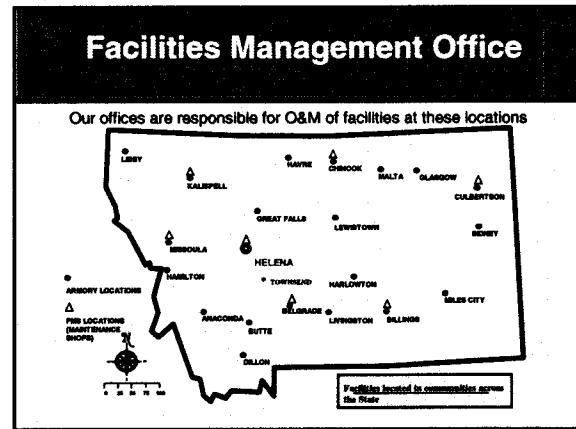
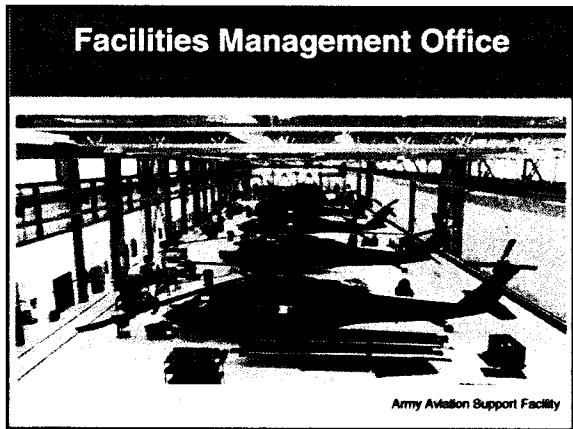
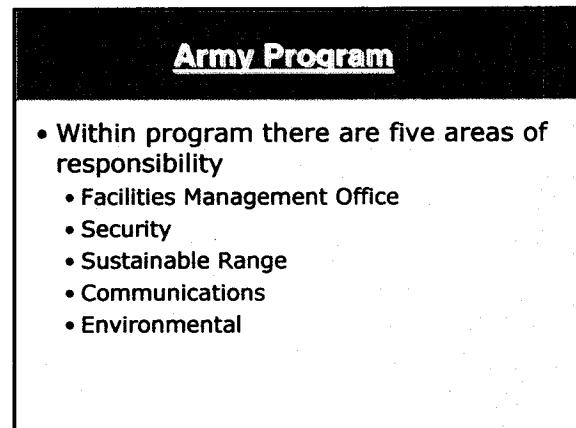
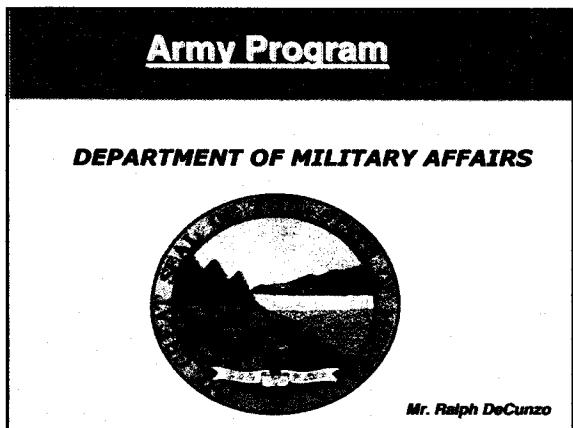
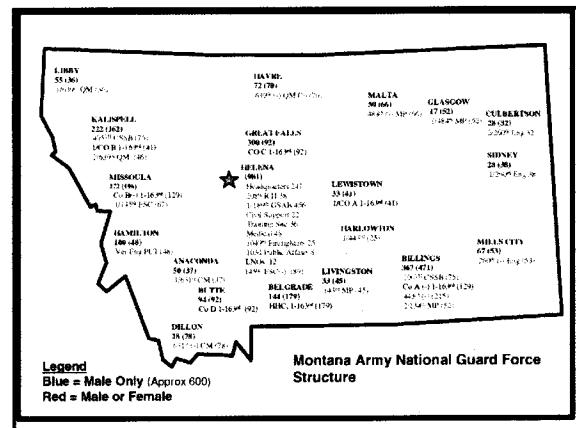
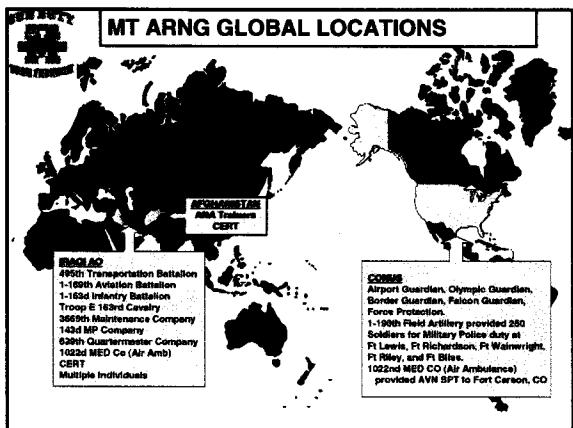


Brigadier General Stan R. Patten



Spectrum of Operations





Facilities Management Office

- Responsible for 1.8M square feet in 22 different locations across Montana
- Readiness Centers used for training 2600 soldiers and storing equipment
- Majority of Readiness Centers are in excess of 40 years old
- Requires great deal of maintenance & repair
- Two of our DP covers additional spending authority and funding in support of our facilities

Facilities Management Office

- The Facilities Management Office plans, oversees construction and manages the state and federal funds
- In the past ten years we have constructed approximately \$170M in new construction

DILLON READINESS CENTER



Facilities Management Office

- Most of our facilities are supported with federal matching funds either through utilities or direct maintenance dollars
- General funds are maximized as much as possible with federal funds
- In this process we have replaced many of the antiquated buildings with new Readiness Centers which include state of the art training facilities

Kalispell Armed Forces Reserve Center



Security

- Provides installation security 24/7 for Fort Harrison and military facilities at the Helena Regional Airport
- This service was provided by a combination of military and civilian contract civilian force. One of our DP's is to replace the full time military force with additional contract civilian forces

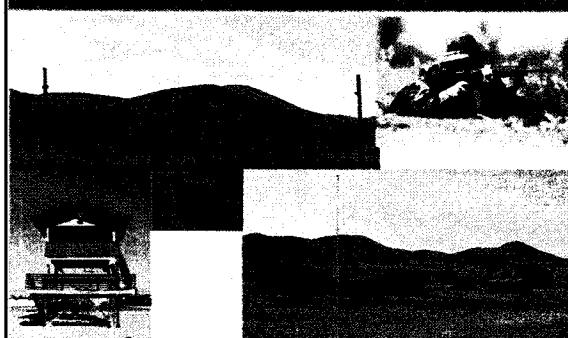
Sustainable Range

- We maintain firing ranges and training areas used by Montana soldiers
- The goal of this program is to provide the most modern facilities for training soldiers
- This program is responsible for the operations and maintenance of these facilities

Sustainable Range

- To accomplish this, additional federal funds are required
- This is DP1205 that we will present for your consideration

Qualification Training Range



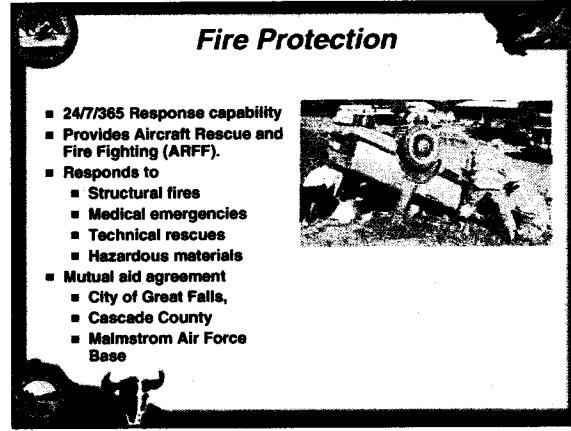
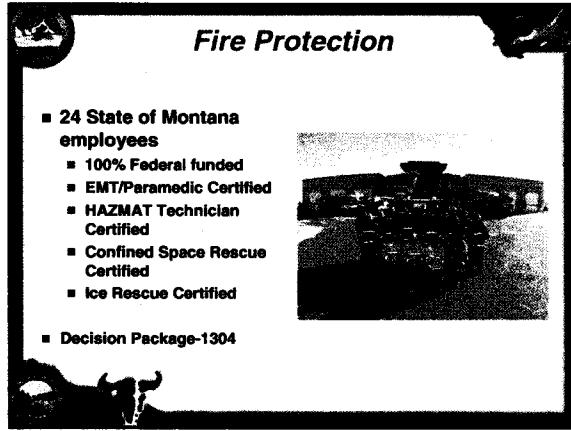
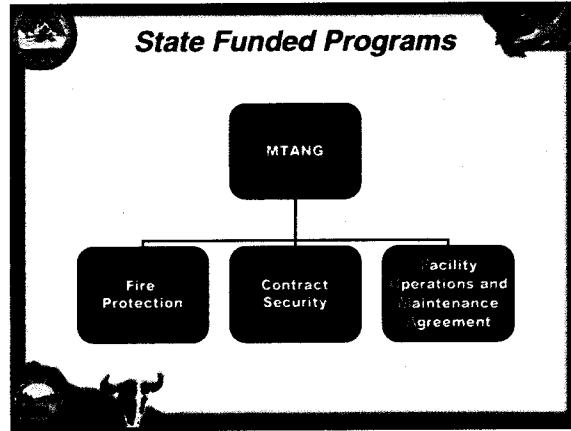
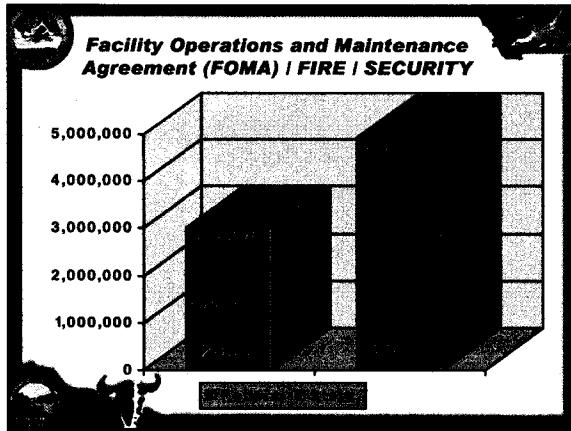
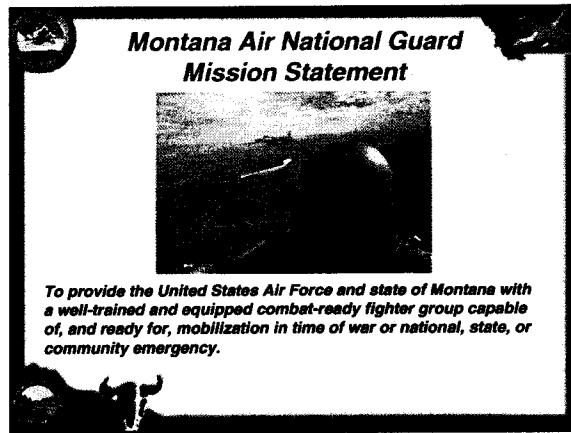
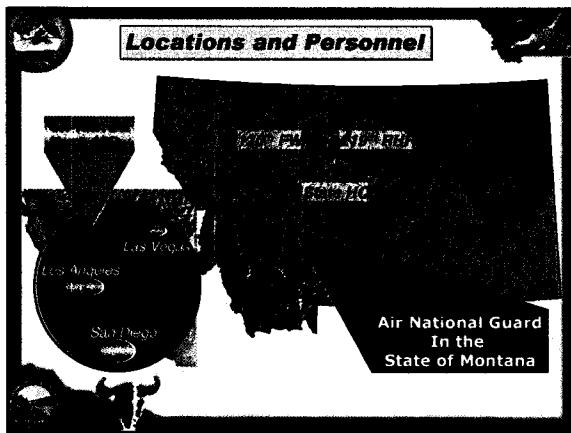
Communications

- Maintains National Guard statewide network of information technology
- Provides us with voice, video, distance learning and data traffic for all of the guard facilities
- DP requesting 1 FTE funded with 100% federal funds and state special revenue authority to support our statewide communications

Environmental

- Oversight in almost all environmental activities of the Army National Guard
- Training for soldiers and employees on material handling and disposal of hazardous materials
- Serves as liaison with regulatory personnel and agencies on environmental issues.





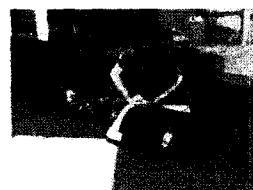
Contract Security

- 24/7/365 Response Capability
- Security Forces
 - Flight Line Security
 - Installation Security
 - Pass and Registration
 - Tactical Response Force



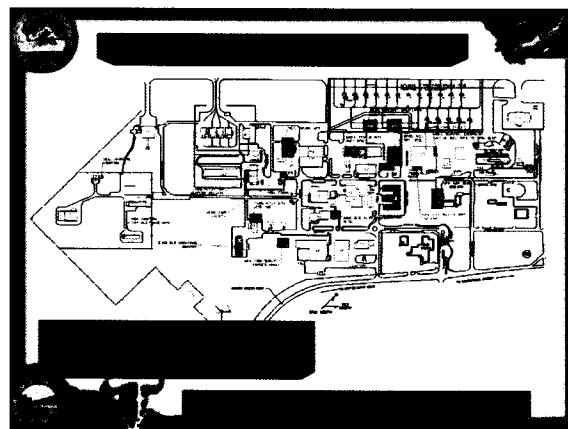
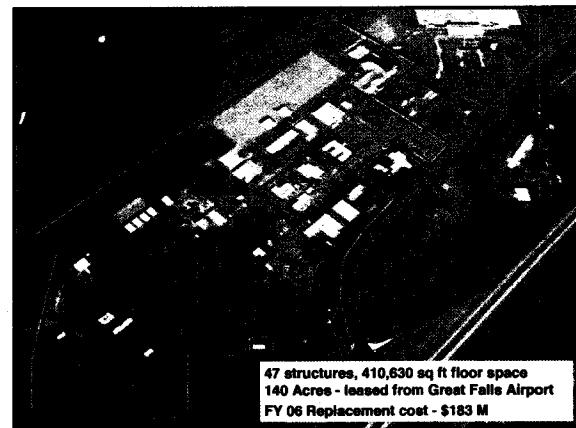
Contract Security

- 100% Federally funded
- ANG Bureau directed conversion from Military Personnel to Contract Personnel
- Decision Package-1305



FOMA

- 9 State of Montana Employees
 - 1-100% Federally Funded
 - Real Property Analyst
 - 8- 75%/25% Fed/State split
 - Carpenters
 - Electricians
 - Roads & Grounds
 - Mechanical
 - 1-Additional FTE authorized
 - 100% Federal Funded
- Decision Package -1303

Base Infrastructure Program (100% Federally Funded)

Last 10 Years = \$24,822,305
Next 3 Years (Future Projects) = \$34,000,000

Facilities Program Future Projects:

New HQ Building	Addition to Aerospace Equip Shop
Construct Sec. Forces/EOD Annex	Alter Hanger Fire System
Addition to BCE Building	Addition to Weapons Shop
Addition to Communications Building	Operations Facility
Replace Aircraft Barriers	Upgrade Avionics Shop
New Deployment Center	Addition to Munitions Shop
	Upgrade Aircraft Apron

DECISION PACKAGE REQUESTS 2008-2009

Request continuation of:

- DP-1304 - Federal Spending Authority for Fire Fighter OT
\$0 (State) / \$607,237 (Federal)
- DP- 1305 - Federal Spending Authority for ANG Security
\$0 (State) / \$2.9 M (Federal)
- DP-1301 - Utility funding of ANG facilities
\$38,961 (State) / \$116,884 (Federal)

Request Additional:

- DP -1303 - Federal Authority for Budget Position
\$0 (State) / \$110,888 (Federal)

Montana Board of Veterans' Affairs

"The people declare that Montana servicemen, servicewomen, and veterans may be given special considerations determined by the legislature"

Article II, Section 35, Montana Constitution

Prepared by: Joe Foster, 324-3741
Administrator – MT Veterans' Affairs Division



Montana Board of Veterans' Affairs

- Mission and Composition -

Mission: Oversees the State of Montana's provision of veterans' services, as provided by the Montana Veterans' Affairs Division.

< 20 members; 11 voting, 9 non-voting.

+ 11 **voting members:** 10 appointed by Governor, 1 appointed by Montana's eight Tribal Councils (consensus).

- 5 represent geographic regions of the state. *

- 1 is an "at-large" veterans' representative. *

- 1 is the Native American veterans' representative. *

- 1 is Montana's Tribal Councils' consensus appointee. *

- 3 have training, experience or education related to veteran issues.

* Must be an honorably discharged veteran.

+ 9 **non-voting members** representing: Governor's Office of Indian Affairs / State Dept. of Military Affairs / State Dept. of Public Health and Human Services / U.S. Dept. of Veterans Affairs / U.S. Dept. of Labor / Montana's Congressional delegation (3) / State Administration and Veterans' Affairs Interim Committee.

Montana Veterans' Affairs Division

- Mission -

Promote the general welfare of Montana veterans and their families.

THRU:

- Establishment of a statewide network of service for discharged veterans and their families.
- Provision of services and assistance for all Montana veterans and surviving spouses and dependents; in coordination with associated federal and state agencies, veterans' services organizations, private organizations and individuals.
- Management, operation and maintenance of Montana's state veterans' cemetery program.
- Assist and advise the general public, governmental agencies, and elected officials regarding veterans' services, programs, initiatives and policy.

Montana Veterans' Affairs Division

- Organization -

• Organizational Personnel and Facility Locations

23 FTE:

- 1 - administrator
- 1 - office manager
- 1 - administrative/veterans' services assistant
- 17 - veterans' services officers
- 3 - veteran cemetery program

10 Veterans' Services Offices:

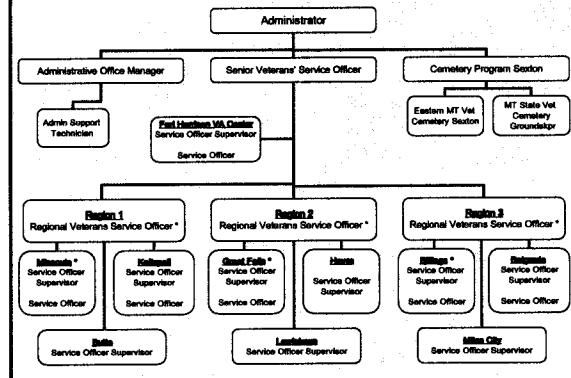
Belgrade – Billings – Butte – Great Falls – Havre
Helena – Kalispell – Lewistown – Miles City – Missoula

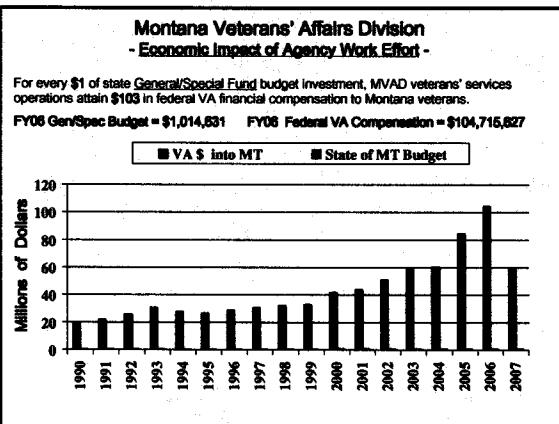
3 State Veterans' Cemeteries:

Montana State Veterans Cemetery – Fort Harrison (Helena)
Eastern Montana State Veterans Cemetery – Miles City
Western Montana State Veterans Cemetery – Missoula (currently under development)

Administration Office: Fort Harrison (Helena)

Montana Veterans' Affairs Division Organizational Chart





Montana Veterans' Affairs Division

- State Veteran Cemeteries -

- **Montana State Veterans Cemetery** – Fort Harrison

Established in 1988.

Fiscal Year	Burials
2005	148
2006	164

Total since 1988: 1928 As of Jan. 1, 2007: 2002

- **Eastern Montana State Veterans Cemetery** – Miles City

Established in 2002.

Fiscal Year	Burials
2005	41
2006	29

Total since 2002: 165 As of Jan. 1, 2007: 177



Montana Veterans' Affairs Division

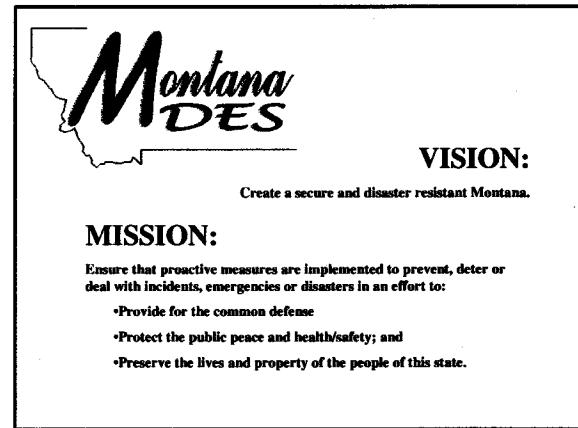
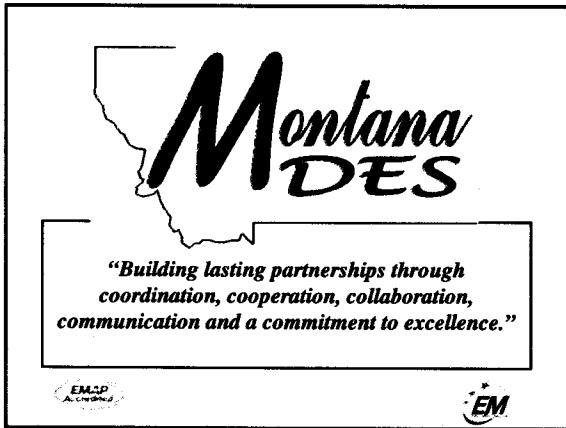
- FY 08/09 Major Program Initiatives -

Veterans' Services Program:

- **Northeast Montana Veterans' Service Office** – Establish office in Wolf Point or Glasgow to serve state's northeast region's veteran population. 1 FTE (DP 3102)
- **Great Falls Veterans' Service Office** – Position will allow enhanced veterans' services for Blackfeet Nation and Crossroads Prison. 1 FTE (DP 3102)

State Veterans Cemetery Program:

- **Western Montana State Veterans Cemetery (Missoula)** – Begin construction of cemetery by the end of 2007. (DP 3101)



Function of Partnerships

- County
 - Cities
 - Towns
 - Municipalities
- Tribal
- State
- Federal
- Private Industry
- Volunteer Agencies

All-Hazards



Core Responsibilities

- Conduit – National/State/Local/Tribal
- Homeland Security Advisor
- State Administrative Agency
- Presidential Directives
- Homeland Security Strategic Plan
- Montana Disaster & Emergency Plan

- Planning
- Training
- Exercising
- Response
- Recovery
- Preparedness
- Mitigation
- Prevention

Disaster Responsibilities



- Incident Response is a Tiered System
 - Local:State:Federal:
- 24 Hour Duty Officer Program
- State Emergency Coordination Center
- Gubernatorial & Federal Declarations
- Governor's Authorized Representative
- Governor's Disaster Fund

The Partnership

FY 08-09 Decision Packages

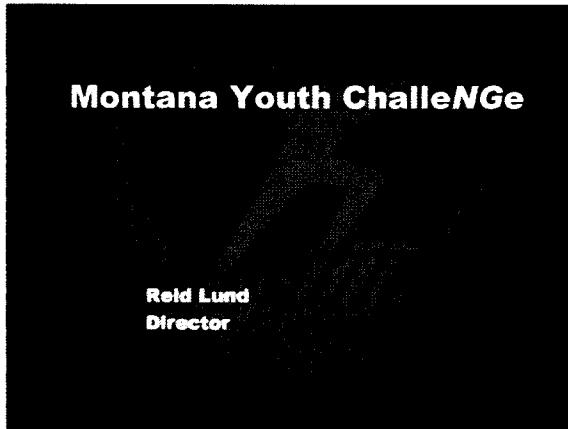
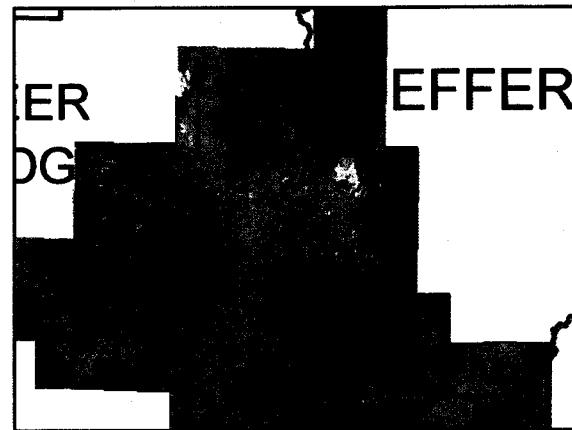
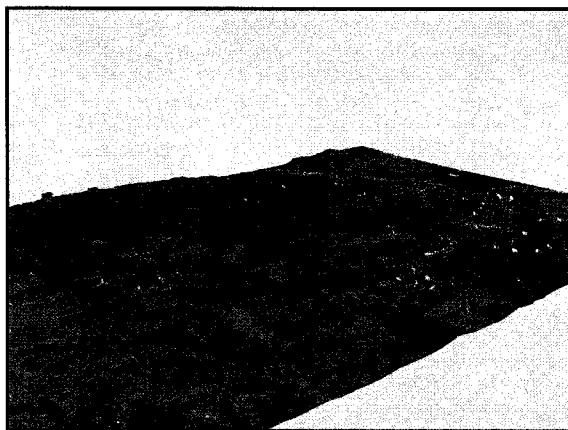
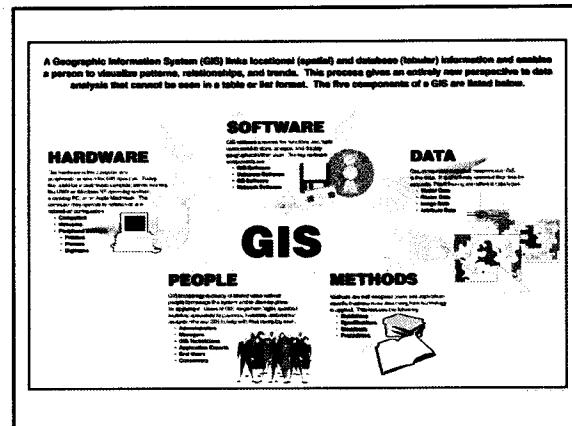
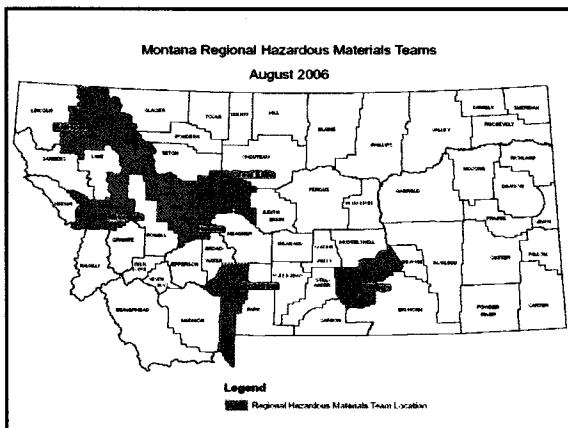
- DP 2104 - Operating Expenses for Mobile Command Vehicle
 - \$15,000/yr. State General Fund
- DP 2105 - Upgrade SECC Computers
 - \$16,000 one-time State General Fund
- DP 2108 - Upgrade GIS Hardware and Software
 - \$12,000 one-time State General Fund
- DP 2107 - State Special Authority for Emergency Management Assistance Compact & Governor's Emergency Preparedness Summit
 - \$120,000/yr. Emergency Fund Reimbursement and Funds Collected
- DP 2108 - State Special Authority for Search & Rescue Administered by MT DES
 - \$200,000/yr. State Special Revenue (DOR & FWP)
- DP 2109 - Sustainment of Regional Hazmat Teams
 - \$290,000/yr. State General Fund

Mobile Command Post

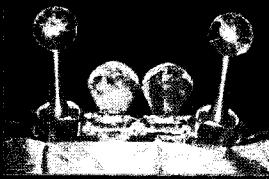


Montana's Regional HazMat Teams





National Achievements



Montana has been ranked one of the top ten ChalleNGe Programs.

In 2004 we were the top program in Physical Fitness.

In 2005 we were the top program in Health & Hygiene.

Program Funding

State Share 40%

Federal Share 60%

Graduates

1999 - 2007
Class 1 - 15

Male	841
Female	275
Total	1116
Native Americans <small>(Included in Total)</small>	160



Education

Increase in Grade Level

Seven Year Average

Reading 1.9

Math 1.6

GED 81% (while in the Program)

** State Audit shows 97% of all ChalleNGe graduates obtain their GED while in the Program or after graduation.

*** MTC P has met all requirements for accreditation by the Northwest Association of Accredited Schools. Final accreditation will be formalized and approved at the semi-annual Northwest Association committee meeting this June.



Decision Packages

DP 203 ChalleNGe Substitute Teachers

.25 FTE FY 08 \$3,566 State FY 09 \$3,581 State
\$5,349 Federal \$5,372 Federal

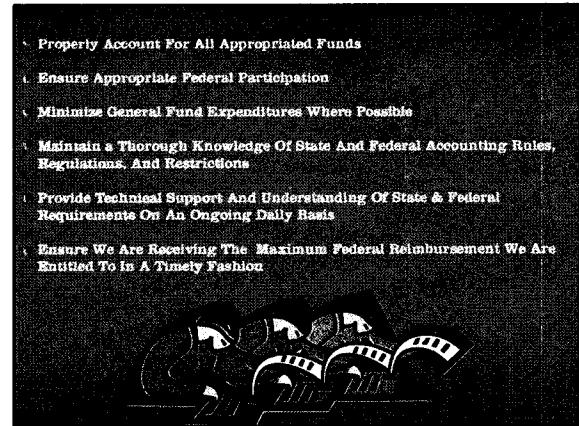
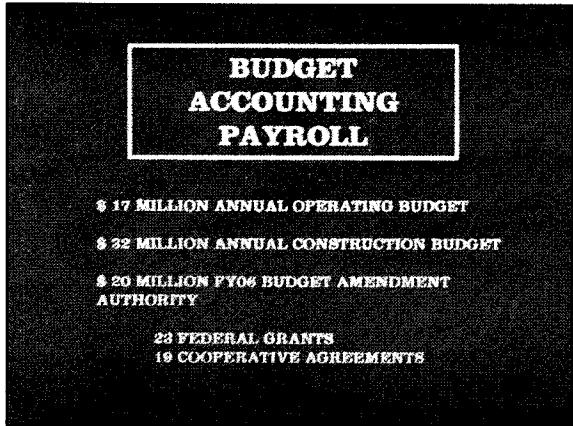
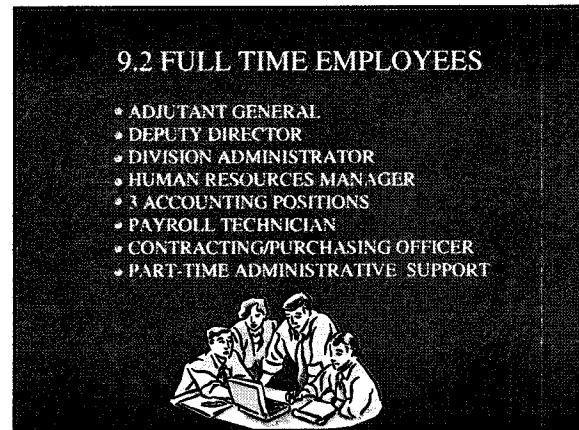
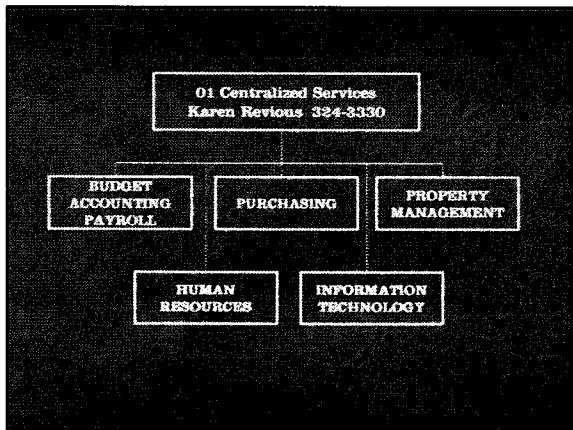
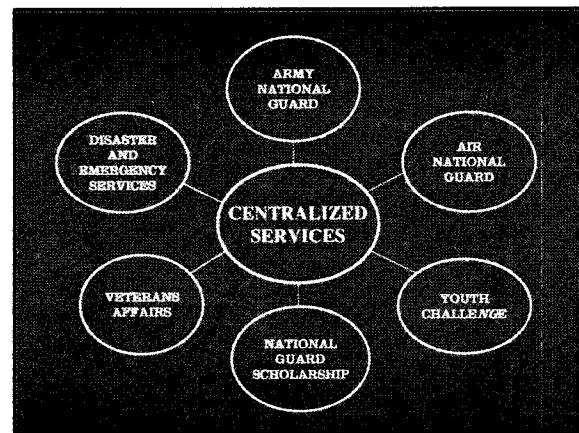
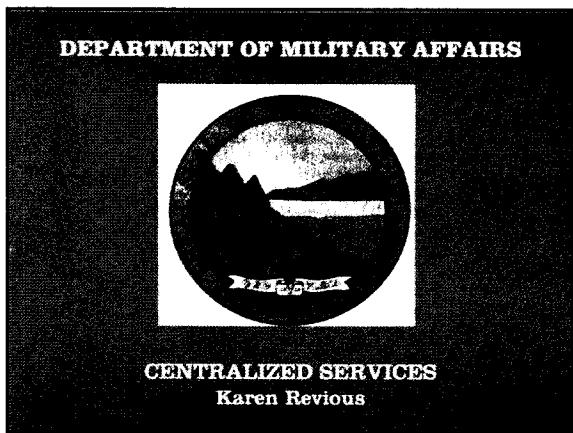
Provide permanent part-time position for teaching position to cover classes when full-time teachers are not available or on deployment.

DP 204 Federal Spending Authority

ChalleNGe Training and Special Projects. No State match required.
0 FTE FY 08 \$54,000 FY 09 \$54,000

Questions?







PURCHASING/CONTRACTING
M.C.A. 18-4-222 Level One Delegation Authority
150 Transactions between \$5,000.00 & 25,000.00
100 Transaction greater than \$25,000.00

PROPERTY MANAGEMENT
\$47 Million Assets Recorded on SABHRS
91 State Buildings

INFORMATION TECHNOLOGY
Maintain and update 100 State computers
Ensure compliance with the Montana Information Technology Act
Complete and maintain the Agency Information Technology Plan

HUMAN RESOURCES

- >172 FULL TIME EMPLOYEES
- >RECRUITMENT AND SELECTION OF EMPLOYEES
- >UNION LABOR NEGOTIATIONS
>3 UNIONS
- >RESOLVES PERSONNEL MANAGEMENT ISSUES



DECISION PACKAGES

Upgrade Department Server
OTO – General Fund - FY08 \$25,000

Information Technology Officer
1.0 FTE
General Fund – FY08 \$40,702 – FY09 \$40,739

DECISION PACKAGES

National Guard STARBASE Program
Federal Funds – FY08 \$250,000 – FY09 \$250,000



**BIG SKY
STARBASE Program**

Raising the interest and improving the knowledge and skills of Montana youth in Math, Science, and Technology

- National Program Started - 1991 W.K. Kellogg Grant
- 1993 Congress Authorized Funds for seven Nationwide Academies
- 5-day Course focused on 5th Grade Elementary Students
- STARBASE program covers 13 mandatory curriculum areas in Math - Science - Technology - Personal Development, Drug Awareness and Prevention
- Montana Big Sky STARBASE implementation target is 1st Quarter 2007
- Today, there are 51 STARBASE Academies in 32 states, serving 827 schools and over 45,000 students annually

Montana

Department of Military Affairs

2007 Impact Brochure



Missions

Federal

To serve as the primary federal reserve force
in support of national security objectives,
when called upon by the President

State

Protection of life and property, preservation
of peace, order, and public safety for
Montana's citizens, when called upon
by the Governor

Community

Participate in local, state, and national
programs that add value to America

Community	Total Dollars	Community	Total Dollars	Community	Total Dollars
Anaconda	\$ 272,726	Harlowton	\$ 133,371	Bellgrade	2,535,292
Air NG	3,064,454	Havre	811,196	Billings	6,277,982
Disaster & Emergency Services	17,108,439	Helena	42,858,732	Bismarck	2,539,368
Veterans Affairs	1,505,224	Kalispell	2,818,786	Butte	1,267,306
Challenge Program	2,876,746	Lewiston	42,858,732	Chinook	258,546
Centralized Services	765,502	Livingston	439,581	Culbertson	395,518
NG Scholarship	250,000	Libby	484,517	Dillon	463,048
Total Department Operating Expenditures	\$ 37,280,677	Malta	563,453	Glasgow	377,645
NG Construction	11,465,728	Miles City	1,391,649	Glendive	185,807
Disaster Fund	355,692	Missoula	4,044,033	Great Falls	54,249,973
Total Expenditures	\$ 49,102,097	Other	563,453	Hamilton	365,630
		All Other	12,743,294		

ARMY AND AIR NATIONAL GUARD DOLLARS COMMUNITY IMPACT

FY'06 Expenditures

STATE DIVISIONS & PROGRAMS

	Total Expenditures	% State	% Federal
Army NG	\$ 11,710,312	8%	92%
Air NG	3,064,454	10%	90%
Disaster & Emergency Services	17,108,439	4%	96%
Veterans Affairs	1,505,224	100%	0%
Challenge Program	2,876,746	39%	61%
Centralized Services	765,502	72%	28%
NG Scholarship	250,000	100%	0%
Total Department Operating Expenditures	\$ 37,280,677	15%	85%
NG Construction	11,465,728	0%	100%
Disaster Fund	355,692	58%	42%
Total Expenditures	\$ 49,102,097	12%	88%

NATIONAL GUARD BUREAU FUNDING FEDERAL PROGRAMS

	Total Expenditures
Army National Guard	
Full-time Payroll	\$37,600,908
Traditional Guard Pay	\$7,866,510
Total Payroll	\$45,467,418
Other Expenditures	\$38,157,392
Total Expenditures	\$83,624,810
Air National Guard	
Full-time Payroll	\$21,947,900
Traditional Guard Pay	\$12,920,000
Total Payroll	\$34,867,900
Other Expenditures	\$19,798,100
Total Expenditures	\$54,666,000

Army and Air National Guard

Over 3,500 Citizen Soldiers and Airmen are assigned to units in 22 Montana communities. Through this community-based organization, federal funding for National Guard activities provides an economic benefit statewide as the money received is turned over several times in every segment of the state economy. Our unique presence is financially supported in large part through federal funding, occurring in the form of military pay and allowances, operating funds for civilian payroll, purchase of goods and services, and through capital investments in military construction projects.

During 2005 and 2006, Montana's Citizen Soldiers and Airmen deployed numerous times in support of the Global War on Terrorism and served throughout the United States, Europe, Korea, Iraq, Kuwait, South America, Africa, Kyrgyzstan, and Afghanistan. Concurrently, Montana Army and Air National Guard members provided critical emergency support in response to the state and community mission. Montana Guard members continue the new mission in wildland firefighting—initial aerial attack—saving the state of Montana thousands of dollars in firefighting costs as strategically located helibases facilitated early intervention for wildfires. Even though our Soldiers and Airmen will continue to be tasked for the federal mission, we will still have adequate personnel to support the state and community mission in 2007.

Between October 1, 2002 and September 30, 2006, nearly 2,500 Montana National Guard Soldiers and Airmen were activated in support of Operation NOBLE EAGLE, Operation ENDURING FREEDOM, and Operation IRAQI FREEDOM. In 2006, over 5590 National Guard members have deployed to support the Operation JUMP START mission on the Southwest border. The Montana National Guard currently has over 75 members deployed with significant growth expected in 2007.

Throughout 2005 and 2006, Montana Air National Guard pilots and F-16 aircraft simultaneously pulled alert duty at March Air Reserve Base, California and supported their AEF tasking deploying 300 personnel, equipment and F-16s to Kunsan Air Base, South Korea. At the National level, the 120th Fighter Wing, and the 219th RED HORSE Squadron, Montana Air National Guard, were recognized for their outstanding achievements, both receiving the Air Force Outstanding Unit Award for 2005.

Over \$18.2 million dollars in construction was accomplished in 2005 and 2006 through joint efforts between the Federal and State government. An addition to the Army Aviation Support Facility, Helena Regional Airport, was completed. This is the location for the helicopter maintenance facility and an addition to the building was constructed to house the Chinook helicopter along with maintenance support space. An addition to the Havre Readiness Center was completed as well and provides additional training and administrative space for our Soldiers. A new readiness center was constructed in Dillon. This new facility replaces a very old facility and provides much-needed training space for our Soldiers. A new back-up generator was installed in the Helena Armed Forces Reserve Center at Fort Harrison and will provide power in the event of an emergency, allowing the functions of the facility to continue without interruption. Numerous smaller projects and designs were undertaken, primarily in the Helena area.

Seven Medical Innovative Readiness Training exercises providing computerized health risk assessments, physicals, cholesterol and glucose screening, and inoculations were conducted on all seven sovereign Indian Nations and the Helena Indian Alliance, contributing to the health and welfare of our Native Americans.

2006 marked the ten-year anniversary of the Montana-Kyrgyzstan relationship under the auspices of the State Partnership Program. This joint initiative between Kyrgyzstan, the State Department, the Department of Defense, and the State of Montana has provided an effective model for Kyrgyzstan to use in the development of a democratic form of Government, a free market economy, and a military which is subservient to civilian authority. Through the establishment of this relationship, the Kyrgyz Republic has emerged as one of our strongest allies in the Global War on Terrorism. Highlights from 2006 include continuing development of a professional non-commissioned-officer corps in the Kyrgyz Military Ministries, disaster preparedness exercises, medical seminars, and professional educational exchanges between the University of Navy (KG), Osh Law School (KG), the University of Montana, Montana State University, and Carroll College.

Disaster and Emergency Services

Montana's Disaster and Emergency Services (DES) is one of the most diverse agencies in state government. We reach out and coordinate with every state agency in an effort to prepare Montana for future disasters and emergencies. Additionally, partnerships with local, tribal, volunteer agencies, and private industry allow us to provide funding, training, resources, and expertise when requested to any incident within our state or outside our borders.

Montana is one of seven states recently accredited by the national Emergency Management Accreditation Program, recognizing our state as compliant with nationally recognized emergency management standards. As a conduit, the state office is implementing the national standard of National Incident Management System compliance throughout local, tribal, and state government.

Effective emergency management assures our state is prepared for, responds to, and efficiently recovers from disasters. DES offices are faced with expanding functionality, capabilities, and levels of responsibility. The challenge of the emergency management team is to ensure citizens are empowered and prepared for disasters and to implement and maintain appropriate response systems. The challenge is building and sustaining this system with continually declining resources.

Diverse topography, a high risk for multiple hazards, and an expanding population present us with challenges greater than ever before. As demographics seek areas susceptible to natural hazards and our risks continue to evolve, emergency management careers have become more complex and challenging.

DES - What you may not know:

The ultimate responsibility of government is public safety; officials can be held liable if communities are inadequately prepared for disasters and emergencies.

• 1.16 state declarations and 31 federal declarations since 1974:

- ✓ State commitment \$20,805,696
- ✓ Federal commitment \$125,106,621

• The DES state office handles an average of 400 daily officer calls per year that may be requests for assistance, coordination calls, or required by law.

• Montana develops and maintains many programs that educate and train our citizens for our next disaster.

• DES is the state administrative agency responsible for administering Homeland Security funding.

• The span of emergency management includes mitigation, prevention, preparedness, response, and recovery.

• Disasters do not have to occur within a jurisdiction to affect it: Alberton derailment, national priority fires, Mt Saint Helens, Hurricane Katrina, 9/11, the space shuttle—each of these events had an impact on our daily lives, our resources and required a state response effort that took time and cost money. Were we ready?

Veterans Affairs

Provides statewide support to 108,000 veterans and 160,000 family members accessing earned veterans' federal and state entitlements and benefits, and manages the state's two veterans' cemeteries.

• Ten statewide Veterans' Service Offices located in Belgrade, Billings, Butte, Great Falls, Havre, Helena, Kalispell, Lewistown, Miles City, and Missoula.

• State Veterans' cemeteries at Fort Harrison (Helena) and Miles City.

2006 Montana Veterans' Claim Work Impact

City	ANG	ANG	VA	DES	Other
Anaconda	24				
Billings	327	2	1		
Belgrade	173	2			
Butte	52	2			
Chinook	4				
Conrad					1
Dillon	56				
Glasgow	43				
Great Falls	90	986	2		
Hamilton	28				
Havre	26	1			
Heleina	862	25	8	24	9
Kalispell	164	2			
Lewistown	17				1
Libby					
Miles City	29				
Missoula	67				
Mt. Miles City	64				
Out of State					
Total Federal VA \$ to Montana Veterans:	\$ 104,715,627				

\$103 of Federal VA monetary disbursements to Montana Veterans for every \$1 of State General Fund and Special Revenue Investment.

Centralized Services

Directs state resources to enhance the preparedness level of the Montana National Guard (Army and Air), Disaster and Emergency Services, ChalleNGe Program, and Veterans Affairs to perform their respective missions at the state and federal level.

• Coordinated efforts between guard personnel and government agencies during statewide disasters.

• Established and maintained a \$37 million annual department-wide budget on behalf of the Adjutant General.

• Provided accounting assistance to seven divisions and programs to ensure compliance with legislative intent and state and federal compliance.

• Developed a comprehensive value-based personnel management service for employees, supervisors, and administrators.

ChalleNGe Program

Montana National Guard Youth ChalleNGe Program is focused on at-risk youth, 16-19 years of age that are educational dropouts, by providing them a second chance at life. ChalleNGe provides the tools and experiences to succeed during an intense 17-month program graduating productive, employable law abiding, taxpaying citizens.

• Fourteen classes completed since the program's inception; a total of 1,045 graduates.

• GED completion rate is impressive 82% (2006); National average is 70%

• 80% of graduates pursuing college or continuing education, military service (over 30 graduates served in Iraqi and Afghanistan), or other employment.

• Montana Youth ChalleNGe Program was selected as one of the top 8 programs in the nation of 35 programs and selected the best in health and hygiene for the Federal Year 2005.

Montana DMA Locations Personnel Strength

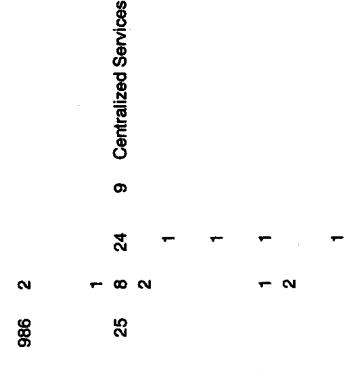
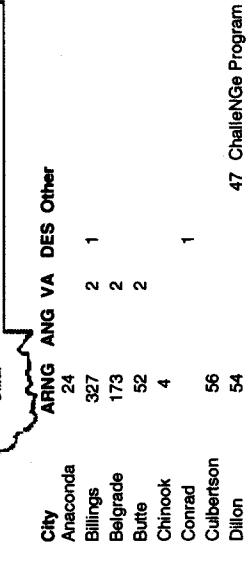
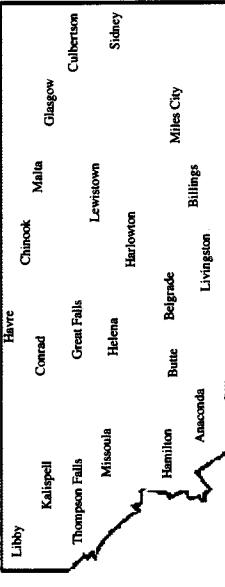




Exhibit Number: 3

The following exhibit is a booklet.

Fort William Henry Harrison

www.mntanaguard.com

**This can be scanned -
The exhibit is on file at the Montana
Historical Society and can be viewed
there.**

**Montana Historical Society
Archives, 225 N. Roberts, Helena,
MT 59620-1201
Phone (406) 444-4774.**

Scanning by: Susie Hamilton